## UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA (Richmond Division)

In re:	)	
	)	Chapter 11
CIRCUIT CITY STORES, INC., et al.	)	Case Nos. 08-35653
	)	Jointly Administered
Debtors.	)	•
	)	

JOINDER OF F.R.O., L.L.C. IX TO INLAND'S LIMITED OBJECTION
TO DEBTORS' MOTION FOR INTERIM AND FINAL ORDERS
PURSUANT TO 11 U.C.C. §§ 105, 361, 362, AND 364 AND FEDERAL
RULES OF BANKRUPTCY PROCEDURES 2002 AND 4001
(I) AUTHORIZING DEBTORS (A) TO OBTAIN POSTPETITION FINANCING
AND (B) UTILIZE CASH COLLATERAL; (II) GRANTING ADEQUATE
PROTECTION; AND (III) SCHEDULING INTERIM AND FINAL HEARINGS

F.R.O., L.L.C. IX ("F.R.O."), by counsel, hereby joins in the Inland Objection (defined below) to the *Debtors' Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 364 and Federal Rules of Bankruptcy Procedures 2002 and 4001 (I) Authorizing Debtors (A) to Obtain Postpetition Financing and (B) to Utilize Cash Collateral; (II) Granting Adequate Protection; and (III) Scheduling Interim and Final Hearings ("DIP Motion"), and in support state as follows:* 

Timothy F. Brown (Va. Bar No. 030907) Mary Joanne Dowd Christopher J. Giaimo ARENT FOX LLP 1050 Connecticut Avenue, NW Washington, DC 20036-5339

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Attorneys for F.R.O., L.L.C. IX

- 1. Prior to the Petition Date, F.R.O. leased to the Debtors certain nonresidential real property located in Douglasville, Georgia (the "Lease"). The Debtors operate Store #3406 (the "Store") at this location.
- 2. On the Petition Date, the Debtors filed the DIP Motion which requests authorization for Debtors to enter into financing agreements ("DIP Facility") with Bank of America N.A., as administrative agent, in its capacity as agent for the DIP Lenders.<sup>1</sup>
- 3. On November 20, 2008, Inland Southwest Management LLC, Inland American Retail Management LLC, Inland US Management LLC, Inland Pacific Property Services LLC, Inland Commercial Property Management, Inc. and Inland Continental Property Management Corp., filed a limited objection to the DIP Motion (the "Inland Objection," Docket No. 261) asserting *inter alia*, (i) that the DIP Facility will result in a *de facto* extension of the Debtors' deadline to assume or reject the Lease under section 365(d)(4) of the Bankruptcy Code<sup>2</sup>, (ii) the Debtors should not be allowed to create Lease Reserves which may result in the Debtors relying upon the Lease Reserves in order to establish "cause" for a 90-day extension of time to assume or reject the Lease, and (iii) that the creation of Lease Reserves in the DIP Facility may result in a *de facto* extension of section 365(d)(4) of the Bankruptcy Code because it would establish "cause" on the Petition Date without regard as to whether the extension is actually warranted.
- 4. F.R.O. hereby joins Inland's Objections to Debtor's DIP Motion and requests that any approval of the DIP Facility should be without prejudice to F.R.O.'s right to oppose any

<sup>&</sup>lt;sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the DIP Motion.

<sup>&</sup>lt;sup>2</sup> Section 365(d)(4) of the Bankruptcy Code provides that Debtors have 120 days from their petition date to determine whether to assume, assume and assign, or reject their leases of nonresidential real property. 11 U.S.C. § 365(d)(4). This period may be extended for 90 days of cause is shown. *Id*.

extension of time that Debtors may request under section 365(d)(4) of the Bankruptcy Code and should forbid the Debtor's to rely on Lease Reserves as "cause" for such an extension.

Dated: November 20, 2008 Washington, DC

/s/ Timothy F. Brown\_

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## **CERTIFICATE OF SERVICE**

I, Andrea Campbell, hereby certify that on the 20<sup>th</sup> day of November, 2008, I caused a true and correct copy of the foregoing Notice of Appearance and Demand for Service of Papers to be served via the Court's CM/ECF system upon all subscribed parties and via First Class Mail upon the following:

W Clarkson McDow, Jr. Office of the U.S. Trustee 701 E. Broad Street, Suite 4304 Richmond, VA 23219 -1888 Attn: Robert B. Van Arsdale	Circuit City Stores, Inc. 9950 Mayland Dr. Richmond, VA 23233 Attn: Reginald D. Hedgebeth
Circuit City Stores, Inc. 9950 Mayland Dr. Richmond, VA 23233 Attn: Daniel W. Ramsey	McGuire Woods LLP One James Center 901 E. Cary Street Richmond, VA 23219 Attn: Dion W. Hayes
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/s/ Andrea Campbell
Andrea Campbell